

ORIGINAL



0000098324

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES - CHAIRMAN

GARY PIERCE

PAUL NEWMAN

SANDRA D. KENNEDY

BOB STUMP

2009 MAY 26 P 3: 37

AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
UNS ELECTRIC, INC. FOR THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND CHARGES
DESIGNED TO REALIZE A REASONABLE
RATE OF RETURN ON THE FAIR VALUE OF
THE PROPERTIES OF UNS ELECTRIC, INC.
DEVOTED TO ITS OPERATIONS
THROUGHOUT THE STATE OF ARIZONA.

) DOCKET NO. E-04204A-09-0206

NOTICE OF ERRATA

UNS Electric, Inc., through undersigned counsel, hereby files a Notice of Errata regarding Schedules H-3 and H-4 submitted with the Application in this docket. The attached revised Schedules H-3 and H-4 now reflect the current time of use ("TOU") rates and the current lighting rates to three decimal places instead of two and replace Schedules H-3 and H-4 that were filed with the Application on April 30, 2009.

RESPECTFULLY SUBMITTED this 26th day of May 2009.

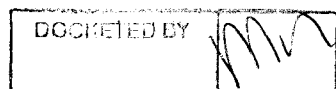
UNS Electric, Inc.

By


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One Arizona Center
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Arizona Corporation Commission
DOCKETED

MAY 26 2009



and

Philip J. Dion
Michelle Livengood
UniSource Energy Services
One South Church Avenue
Tucson, Arizona 85701

1 Original and thirteen copies of the foregoing
2 filed this 26th day of May 2009, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 Copy of the foregoing hand-delivered
8 this 26th day of May 2009, to:

9 Lyn A. Farmer, Esq.
10 Chief Administrative Law Judge
11 Hearing Division
12 Arizona Corporation Commission
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Janice M. Alward, Esq.
16 Chief Counsel, Legal Division
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20 Ernest Johnson, Esq.
21 Director, Utilities Division
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23 1200 West Washington Street
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25
26
27
By Mary Appolito

SCHEDULE H-3

UNS Electric, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-3 - CORRECTED
Page 1 of 3

| | Present Rate | Proposed Rate | Increase | |
|---|--------------|---------------|-------------|----------|
| | | | \$ | % |
| Residential Service | | | | |
| Customer Charge | \$7.50 | \$8.00 | \$0.50 | 6.67% |
| Energy Charge 1st 400 kWhs | \$0.011255 | \$0.020070 | \$0.008815 | 78.32% |
| Energy Charge, all additional kWhs | \$0.021269 | \$0.030084 | \$0.008815 | 41.45% |
| Base Power Supply Charge, all kWhs | \$0.077993 | \$0.074812 | -\$0.003181 | -4.08% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.014746 | -100.00% |
| Residential Service CARES | | | | |
| Customer Charge | \$7.50 | \$3.50 | -\$4.00 | -53.33% |
| Energy Charge 1st 400 kWhs | \$0.011255 | \$0.011255 | \$0.000000 | 0.00% |
| Energy Charge, all additional kWhs | \$0.021269 | \$0.021269 | \$0.000000 | 0.00% |
| Base Power Supply Charge, all kWhs | \$0.077993 | \$0.071660 | -\$0.006333 | -8.12% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.014746 | -100.00% |
| Residential Time of Use Rates, all kWhs | | | | |
| (These rates would include all Delivery charges above and replace The Base Power Supply charge) | | | | |
| Summer on-peak | \$0.102086 | \$0.159138 | \$0.057052 | 55.89% |
| Summer Shoulder | \$0.077993 | \$0.074812 | -\$0.003181 | -4.08% |
| Summer off-peak | \$0.072092 | \$0.054158 | -\$0.017934 | -24.88% |
| Winter on-peak | \$0.102086 | \$0.159138 | \$0.057052 | 55.89% |
| Winter off-peak | \$0.068588 | \$0.041894 | -\$0.026694 | -38.92% |
| Small General Service | | | | |
| Customer Charge | \$12.00 | \$12.50 | \$0.50 | 4.17% |
| Energy Charge 1st 400 kWhs | \$0.022449 | \$0.032440 | \$0.009991 | 44.50% |
| Energy Charge, all additional kWhs | \$0.032463 | \$0.042454 | \$0.009991 | 30.78% |
| Base Power Supply Charge, all kWhs | \$0.075738 | \$0.072649 | -\$0.003089 | -4.08% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.014746 | -100.00% |
| Small General Service Time of Use Rates, all kWhs | | | | |
| (These rates would include all Delivery charges above and replace The Base Power Supply charge) | | | | |
| Summer on-peak | \$0.097108 | \$0.136759 | \$0.039651 | 40.83% |
| Summer Shoulder | \$0.075738 | \$0.072649 | -\$0.003089 | -4.08% |
| Summer off-peak | \$0.067108 | \$0.046759 | -\$0.020349 | -30.32% |
| Winter on-peak | \$0.097108 | \$0.136759 | \$0.039651 | 40.83% |
| Winter off-peak | \$0.064368 | \$0.038539 | -\$0.025829 | -40.13% |

UNS Electric, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-3 - CORRECTED
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Large General Service

| | | | | |
|------------------------------------|------------|------------|-------------|----------|
| Customer Charge | \$15.50 | \$16.00 | \$0.50 | 3.23% |
| Demand Charge, per kW | \$10.71 | \$13.35 | \$2.643018 | 24.68% |
| Energy Charge (kWhs) | \$0.003254 | \$0.004254 | \$0.001000 | 30.73% |
| Base Power Supply Charge, all kWhs | \$0.067062 | \$0.064326 | -\$0.002736 | -4.08% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.014746 | -100.00% |

Large General Service TOU

| | | | | |
|------------------------------------|------------|------------|-------------|----------|
| Customer Charge | \$20.40 | \$20.90 | \$0.50 | 2.45% |
| Demand Charge, per kW | \$10.71 | \$13.35 | \$2.643018 | 24.68% |
| Energy Charge (kWhs) | \$0.003254 | \$0.004254 | \$0.001000 | 30.73% |
| Base Power Supply Charge, all kWhs | \$0.067062 | \$0.064326 | -\$0.002736 | -4.08% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.014746 | -100.00% |

Large General Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

| | | | | |
|-----------------|------------|------------|-------------|---------|
| Summer on-peak | \$0.089820 | \$0.121221 | \$0.031401 | 34.96% |
| Summer Shoulder | \$0.067062 | \$0.064326 | -\$0.002736 | -4.08% |
| Summer off-peak | \$0.059820 | \$0.046221 | -\$0.013599 | -22.73% |
| Winter on-peak | \$0.089820 | \$0.121221 | \$0.031401 | 34.96% |
| Winter off-peak | \$0.054333 | \$0.032503 | -\$0.021830 | -40.18% |

Large Power Service (<69KV)

| | | | | |
|------------------------------------|------------|--------------|-------------|----------|
| Customer Charge | \$365.00 | \$372.00 | \$7.00 | 1.92% |
| Demand Charge, per kW | \$17.90 | \$21.22 | \$3.326211 | 18.59% |
| Energy Charge (kWhs) | \$0.000000 | (\$0.000000) | \$0.000000 | 0.00% |
| Base Power Supply Charge, all kWhs | \$0.053260 | \$0.051087 | -\$0.002173 | -4.08% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.014746 | -100.00% |

Large Power Service (>69KV)

| | | | | |
|------------------------------------|------------|--------------|-------------|---------|
| Customer Charge | \$400.00 | \$407.00 | \$7.00 | 1.75% |
| Demand Charge, per kW | \$11.61 | \$14.93 | \$3.320254 | 0.00% |
| Energy Charge (kWhs) | \$0.000000 | (\$0.000000) | \$0.000000 | 0.00% |
| Base Power Supply Charge, all kWhs | \$0.053260 | \$0.051087 | -\$0.002173 | -4.08% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.014746 | 100.00% |

Large Power Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

| | | | | |
|-----------------|------------|------------|-------------|---------|
| Summer on-peak | \$0.077240 | \$0.099047 | \$0.021807 | 28.23% |
| Summer Shoulder | \$0.053260 | \$0.051087 | -\$0.002173 | -4.08% |
| Summer off-peak | \$0.047240 | \$0.039047 | -\$0.008193 | -17.34% |
| Winter on-peak | \$0.077240 | \$0.099047 | \$0.021807 | 28.23% |
| Winter off-peak | \$0.041233 | \$0.027033 | -\$0.014200 | -34.44% |

UNS Electric, Inc.
Comparison of Present and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-3 - CORRECTED
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Interruptible Power Service

| | | | | |
|------------------------------------|------------|------------|---------|----------|
| Customer Charge | \$15.50 | \$16.00 | \$0.50 | 3.23% |
| Demand Charge, per kW | \$3.40 | \$4.66 | \$1.26 | 37.17% |
| Energy Charge (kWhs) | \$0.014800 | \$0.017100 | \$0.00 | 15.54% |
| Base Power Supply Charge, all kWhs | \$0.055491 | \$0.053227 | \$0.00 | -4.08% |
| PPFAC | \$0.014746 | \$0.000000 | -\$0.01 | -100.00% |

Interruptible Power Service Time of Use Rates, all kWhs

(These rates would include all Delivery charges above and replace The Base Power Supply charge)

| | | | | |
|-----------------|------------|------------|-------------|---------|
| Summer on-peak | \$0.079833 | \$0.101911 | \$0.022078 | 27.66% |
| Summer Shoulder | \$0.055491 | \$0.053227 | -\$0.002264 | -4.08% |
| Summer off-peak | \$0.049833 | \$0.041911 | -\$0.007922 | -15.90% |
| Winter on-peak | \$0.079833 | \$0.101911 | \$0.022078 | 27.66% |
| Winter off-peak | \$0.042267 | \$0.026779 | -\$0.015488 | -36.64% |

Lighting Dusk to Dawn

| | | | | |
|---|------------|------------|------------|----------|
| New 30' Wood Pole (Class 6) - Overhead | \$4.123 | \$4.535 | \$0.41 | 10.00% |
| New 30' Metal or Fiberglass - Overhead | \$8.257 | \$9.083 | \$0.83 | 10.00% |
| Existing Wood Pole - Underground | \$2.062 | \$2.268 | \$0.21 | 10.00% |
| New 30' Wood Pole (Class 6) - Underground | \$6.195 | \$6.815 | \$0.62 | 10.00% |
| New 30' Metal or Fiberglass - Underground | \$10.318 | \$11.350 | \$1.03 | 10.00% |
| Wattage, per Watt | \$0.046577 | \$0.050422 | \$0.003845 | 8.26% |
| Lighting Base Power Supply Charge, per Watt | \$0.007818 | \$0.007499 | \$0.00 | 100.00% |
| PPFAC Charge, per kWh | \$0.014746 | \$0.000000 | -\$0.01 | -100.00% |

SCHEDULE H-4

UNS Electric, Inc.
Typical Bill Comparison
Present (Prior to June 1, 2009 PPFAC Rate Change) and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-4 - CORRECTED
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| Residential Service | <u>Present</u> | <u>Proposed</u> |
|------------------------------------|----------------|-----------------|
| Customer Charge | \$7.50 | \$8.00 |
| Energy Charge 1st 400 kWhs | \$0.011255 | \$0.020070 |
| Energy Charge, all additional kWhs | \$0.021269 | \$0.030084 |
| Base Power Supply Charge, all kWhs | \$0.077993 | \$0.074812 |
| PPFAC | \$0.014746 | \$0.000000 |

| Average Sales per Month | Total Bill Present Rate | Total Bill Proposed Rate | Proposed Increase \$ | Proposed Increase % |
|-------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|
| 0 | \$7.50 | \$8.00 | \$0.50 | 6.67% |
| 50 | \$12.70 | \$12.74 | \$0.04 | 0.35% |
| 100 | \$17.90 | \$17.49 | (\$0.41) | -2.30% |
| 200 | \$28.30 | \$26.98 | (\$1.32) | -4.67% |
| 400 | \$49.10 | \$45.95 | (\$3.14) | -6.40% |
| 600 | \$71.90 | \$66.93 | (\$4.97) | -6.91% |
| 800 | \$94.70 | \$87.91 | (\$6.79) | -7.17% |
| 1,000 | \$117.50 | \$108.89 | (\$8.61) | -7.33% |
| 2,000 | \$231.51 | \$213.79 | (\$17.72) | -7.66% |
| 2,500 | \$288.51 | \$266.23 | (\$22.28) | -7.72% |
| 5,000 | \$573.53 | \$528.47 | (\$45.06) | -7.86% |
| 10,000 | \$1,143.57 | \$1,052.95 | (\$90.62) | -7.92% |

| Residential Service CARES | <u>Present</u> | <u>Proposed</u> | Discounts: | |
|------------------------------------|----------------|-----------------|--------------|--------|
| Customer Charge | \$7.50 | \$3.50 | 0-300 kWh | 30.0% |
| Energy Charge 1st 400 kWhs | \$0.011255 | \$0.011255 | 301-600 kWh | 20.0% |
| Energy Charge, all additional kWhs | \$0.021269 | \$0.021269 | 601-1000 kWh | 10.0% |
| Base Power Supply Charge, all kWhs | \$0.077993 | \$0.071660 | 1001+ kWh | \$8.00 |
| PPFAC | \$0.014746 | \$0.000000 | | |

| Average Sales per Month | Total Bill Present Rate | Total Bill Proposed Rate | Proposed Increase \$ | Proposed Increase % |
|-------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|
| 0 | \$5.25 | \$2.45 | (\$2.80) | -53.33% |
| 50 | \$8.89 | \$5.35 | (\$3.54) | -39.79% |
| 100 | \$12.53 | \$8.25 | (\$4.28) | -34.12% |
| 200 | \$19.81 | \$14.06 | (\$5.75) | -29.03% |
| 400 | \$39.28 | \$29.33 | (\$9.95) | -25.32% |
| 600 | \$57.52 | \$44.20 | (\$13.32) | -23.15% |
| 800 | \$85.23 | \$66.45 | (\$18.78) | -22.03% |
| 1,000 | \$105.75 | \$83.18 | (\$22.57) | -21.34% |
| 2,000 | \$223.51 | \$177.35 | (\$46.16) | -20.65% |
| 2,500 | \$280.51 | \$223.82 | (\$56.70) | -20.21% |
| 5,000 | \$565.53 | \$456.14 | (\$109.39) | -19.34% |
| 10,000 | \$1,135.57 | \$920.78 | (\$214.79) | -18.91% |

UNS Electric, Inc.
Typical Bill Comparison
Present (Prior to June 1, 2009 PPFAC Rate Change) and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-4 - CORRECTED
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| | | | | |
|--|----------------|-----------------|----------------------|-------|
| Residential Service Time-of-Use Summer | <u>Present</u> | <u>Proposed</u> | Assume: | |
| Customer Charge | \$7.50 | \$8.00 | On Peak Usage: | 16.6% |
| Energy Charge 1st 400 kWhs | \$0.011255 | \$0.020070 | Shoulder-Peak Usage: | 15.4% |
| Energy Charge, all additional kWhs | \$0.021269 | \$0.030084 | Off-Peak Usage: | 67.9% |
| Base Power Supply Charge | | | | |
| On-Peak, all kWhs | \$0.102086 | \$0.159138 | | |
| Shoulder-Peak, all kWhs | \$0.077993 | \$0.074812 | | |
| Off-Peak, all kWhs | \$0.072092 | \$0.054158 | | |
| PPFAC | \$0.014746 | \$0.000000 | | |

| Average Sales per Month | Total Bill Present Rate | Total Bill Proposed Rate | Proposed Increase \$ | Proposed Increase % |
|-------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|
| 0 | \$7.50 | \$8.00 | \$0.50 | 6.67% |
| 50 | \$12.70 | \$12.74 | \$0.04 | 0.35% |
| 100 | \$17.90 | \$17.49 | (\$0.41) | -2.30% |
| 200 | \$28.30 | \$26.98 | (\$1.32) | -4.67% |
| 400 | \$49.10 | \$45.95 | (\$3.14) | -6.40% |
| 600 | \$71.90 | \$66.93 | (\$4.97) | -6.91% |
| 800 | \$94.70 | \$87.91 | (\$6.79) | -7.17% |
| 1,000 | \$117.50 | \$108.89 | (\$8.61) | -7.33% |
| 2,000 | \$231.51 | \$213.79 | (\$17.72) | -7.66% |
| 2,500 | \$288.52 | \$266.24 | (\$22.28) | -7.72% |
| 5,000 | \$573.54 | \$528.48 | (\$45.06) | -7.86% |
| 10,000 | \$1,143.58 | \$1,052.96 | (\$90.61) | -7.92% |

| | | | | |
|--|----------------|-----------------|-----------------|-------|
| Residential Service Time-of-Use Winter | <u>Present</u> | <u>Proposed</u> | Assume: | |
| Customer Charge | \$7.50 | \$8.00 | On Peak Usage: | 28.1% |
| Energy Charge 1st 400 kWhs | \$0.011255 | \$0.020070 | | |
| Energy Charge, all additional kWhs | \$0.021269 | \$0.030084 | Off-Peak Usage: | 71.9% |
| Base Power Supply Charge | | | | |
| On-Peak, all kWhs | \$0.102086 | \$0.159138 | | |
| Shoulder-Peak, all kWhs | | | | |
| Off-Peak, all kWhs | \$0.068588 | \$0.041894 | | |
| PPFAC | \$0.014746 | \$0.000000 | | |

| Average Sales per Month | Total Bill Present Rate | Total Bill Proposed Rate | Proposed Increase \$ | Proposed Increase % |
|-------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|
| 0 | \$7.50 | \$8.00 | \$0.50 | 6.67% |
| 50 | \$12.70 | \$12.74 | \$0.04 | 0.35% |
| 100 | \$17.90 | \$17.49 | (\$0.41) | -2.30% |
| 200 | \$28.30 | \$26.98 | (\$1.32) | -4.67% |
| 400 | \$49.10 | \$45.95 | (\$3.15) | -6.41% |
| 600 | \$71.90 | \$66.93 | (\$4.97) | -6.91% |
| 800 | \$94.70 | \$87.91 | (\$6.79) | -7.17% |
| 1,000 | \$117.50 | \$108.89 | (\$8.61) | -7.33% |
| 2,000 | \$231.51 | \$213.78 | (\$17.73) | -7.66% |
| 2,500 | \$288.51 | \$266.23 | (\$22.29) | -7.72% |
| 5,000 | \$573.53 | \$528.46 | (\$45.07) | -7.86% |
| 10,000 | \$1,143.57 | \$1,052.92 | (\$90.64) | -7.93% |

UNS Electric, Inc.
Typical Bill Comparison
Present (Prior to June 1, 2009 PPAC Rate Change) and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-4 - CORRECTED
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| | | |
|------------------------------------|----------------|-----------------|
| Small General Service | <u>Present</u> | <u>Proposed</u> |
| Customer Charge | \$12.00 | \$12.50 |
| Energy Charge 1st 400 kWhs | \$0.022449 | \$0.032440 |
| Energy Charge, all additional kWhs | \$0.032463 | \$0.042454 |
| Base Power Supply Charge, all kWhs | \$0.075738 | \$0.072649 |
| PPFAC | \$0.014746 | \$0.000000 |

| Average Sales per Month | Total Bill Present Rate | Total Bill Proposed Rate | Proposed Increase \$ | Proposed Increase % |
|-------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|
| 50 | \$17.65 | \$17.75 | \$0.11 | 0.61% |
| 100 | \$23.29 | \$23.01 | (\$0.28) | -1.22% |
| 250 | \$40.23 | \$38.77 | (\$1.46) | -3.63% |
| 500 | \$69.47 | \$66.05 | (\$3.42) | -4.93% |
| 1,000 | \$130.94 | \$123.60 | (\$7.34) | -5.61% |
| 2,000 | \$253.89 | \$238.70 | (\$15.19) | -5.98% |
| 3,500 | \$438.31 | \$411.35 | (\$26.96) | -6.15% |
| 5,000 | \$622.73 | \$584.01 | (\$38.72) | -6.22% |
| 10,000 | \$1,237.46 | \$1,159.52 | (\$77.94) | -6.30% |
| 30,000 | \$3,696.40 | \$3,461.58 | (\$234.83) | -6.35% |
| 50,000 | \$6,155.34 | \$5,763.63 | (\$391.72) | -6.36% |

| | | | | |
|--|----------------|-----------------|---------------|-------|
| Large General Service Delivery Charges | <u>Present</u> | <u>Proposed</u> | | |
| Customer Charge | \$15.50 | \$16.00 | | |
| Demand Charge, per kW | \$10.71 | \$13.35 | Assumes | |
| Energy Charge (kWhs) | \$0.003254 | \$0.004254 | Load Factor = | 55.0% |
| Base Power Supply Charge, all kWhs | \$0.067062 | \$0.064326 | | |
| PPFAC | \$0.014746 | \$0.000000 | | |

| Average Sales per Month | Total Bill Present Rate | Total Bill Proposed Rate | Proposed Increase \$ | Proposed Increase % |
|-------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|
| 5,000 | \$574.18 | \$525.19 | (\$49.00) | -8.53% |
| 10,000 | \$1,132.87 | \$1,034.38 | (\$98.49) | -8.69% |
| 25,000 | \$2,808.92 | \$2,561.95 | (\$246.98) | -8.79% |
| 50,000 | \$5,602.35 | \$5,107.89 | (\$494.46) | -8.83% |
| 100,000 | \$11,189.20 | \$10,199.78 | (\$989.41) | -8.84% |
| 200,000 | \$22,362.89 | \$20,383.57 | (\$1,979.33) | -8.85% |
| 300,000 | \$33,536.59 | \$30,567.35 | (\$2,969.24) | -8.85% |
| 400,000 | \$44,710.29 | \$40,751.13 | (\$3,959.16) | -8.86% |
| 500,000 | \$55,883.98 | \$50,934.91 | (\$4,949.07) | -8.86% |
| 600,000 | \$67,057.68 | \$61,118.70 | (\$5,938.98) | -8.86% |

UNS Electric, Inc.
Typical Bill Comparison
Present (Prior to June 1, 2009 PPFAC Rate Change) and Proposed Rates
Test Year Ended December 31, 2008

Schedule H-4 - CORRECTED
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| | | | | |
|------------------------------------|---------------------|----------------------|-----------------|-----------------|
| Large General Service TOU | <u>Present</u> | <u>Proposed</u> | | |
| Customer Charge | \$20.40 | \$20.90 | | |
| Demand Charge, per kW | \$10.71 | \$13.35 | Assumes | |
| Energy Charge (kWhs) | \$0.003254 | \$0.004254 | Load Factor = | 55.0% |
| Base Power Supply Charge, all kWhs | \$0.067062 | \$0.064326 | | |
| PPFAC | \$0.014746 | \$0.000000 | | |
| | <u>Total Bill</u> | <u>Total Bill</u> | <u>Proposed</u> | <u>Proposed</u> |
| <u>Average Sales per Month</u> | <u>Present Rate</u> | <u>Proposed Rate</u> | <u>Increase</u> | <u>Increase</u> |
| 5,000 | \$572.42 | \$521.77 | \$ (50.64) | -8.85% |
| 10,000 | \$1,124.43 | \$1,022.65 | \$ (101.78) | -9.05% |
| 25,000 | \$2,780.48 | \$2,525.27 | \$ (255.21) | -9.18% |
| 50,000 | \$5,540.56 | \$5,029.65 | \$ (510.91) | -9.22% |
| 100,000 | \$11,060.72 | \$10,038.39 | \$ (1,022.33) | -9.24% |
| 200,000 | \$22,101.04 | \$20,055.89 | \$ (2,045.16) | -9.25% |
| 300,000 | \$33,141.37 | \$30,073.38 | \$ (3,067.98) | -9.26% |
| 400,000 | \$44,181.69 | \$40,090.87 | \$ (4,090.81) | -9.26% |
| 500,000 | \$55,222.01 | \$50,108.37 | \$ (5,113.64) | -9.26% |
| 600,000 | \$66,262.33 | \$60,125.86 | \$ (6,136.47) | -9.26% |

Assumes maximum peak period demand is 5% lower than maximum demand in non-peak period.

| | | | | |
|------------------------------------|---------------------|----------------------|-----------------|-----------------|
| Large Power Service (<69KV) | <u>Present</u> | <u>Proposed</u> | | |
| Customer Charge | \$365.00 | \$372.00 | | |
| Demand Charge, per kW | \$17.90 | \$21.22 | Assumes | |
| Energy Charge (kWhs) | \$0.000000 | (\$0.000000) | Load Factor = | 65.0% |
| Base Power Supply Charge, all kWhs | \$0.053260 | \$0.051087 | | |
| PPFAC | \$0.014746 | \$0.000000 | | |
| | <u>Total Bill</u> | <u>Total Bill</u> | <u>Proposed</u> | <u>Proposed</u> |
| <u>Average Sales per Month</u> | <u>Present Rate</u> | <u>Proposed Rate</u> | <u>Increase</u> | <u>Increase</u> |
| 300,000 | \$32,081 | \$29,115 | \$ (2,966) | -9.24% |
| 450,000 | \$47,939 | \$43,487 | \$ (4,452) | -9.29% |
| 650,000 | \$69,083 | \$62,649 | \$ (6,434) | -9.31% |
| 850,000 | \$90,226 | \$81,811 | \$ (8,416) | -9.33% |
| 950,000 | \$100,798 | \$91,392 | \$ (9,407) | -9.33% |
| 1,500,000 | \$158,944 | \$144,087 | \$ (14,857) | -9.35% |
| 1,750,000 | \$185,374 | \$168,040 | \$ (17,334) | -9.35% |
| 2,000,000 | \$211,804 | \$191,993 | \$ (19,811) | -9.35% |
| 2,500,000 | \$264,663 | \$239,898 | \$ (24,766) | -9.36% |

UNS Electric, Inc.
Typical Bill Comparison
Present (Prior to June 1, 2009 PPFAC Rate Change) and Proposed Rates
Test Year Ended December 31, 2008

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| | | | | | |
|--|---------------------|----------------------|-------------------|-----------------------------|-----------------|
| Large Power Service (>69KV) Delivery Charges | | <u>Present</u> | <u>Proposed</u> | Assumes Load Factor = | 70.0% |
| Customer Charge | | \$400.00 | \$407.00 | | |
| Demand Charge, per kW | | \$11.61 | \$14.93 | | |
| Energy Charge (kWhs) | | \$0.000000 | (\$0.000000) | | |
| Base Power Supply Charge, all kWhs | | \$0.053260 | \$0.051087 | | |
| PPFAC | | \$0.014746 | \$0.000000 | | |
| | | <u>Total Bill</u> | <u>Total Bill</u> | <u>Proposed</u> | <u>Proposed</u> |
| <u>Average Sales per Month</u> | <u>Present Rate</u> | <u>Proposed Rate</u> | <u>Increase</u> | <u>Increase</u> | |
| | | | <u>\$</u> | <u>%</u> | |
| 300,000 | \$27,617.85 | \$24,498.42 | (\$3,119) | -11.29% | |
| 450,000 | \$41,226.77 | \$36,544.12 | (\$4,683) | -11.36% | |
| 650,000 | \$59,372.00 | \$52,605.07 | (\$6,767) | -11.40% | |
| 850,000 | \$77,517.23 | \$68,666.01 | (\$8,851) | -11.42% | |
| 950,000 | \$86,589.85 | \$76,696.48 | (\$9,893) | -11.43% | |
| 1,500,000 | \$136,489.23 | \$120,864.08 | (\$15,625) | -11.45% | |
| 1,750,000 | \$159,170.77 | \$140,940.26 | (\$18,231) | -11.45% | |
| 2,000,000 | \$181,852.31 | \$161,016.44 | (\$20,836) | -11.46% | |
| 2,500,000 | \$227,215.39 | \$201,168.80 | (\$26,047) | -11.46% | |
| | | | | | |
| Interruptible Power Service Delivery Charges | | <u>Present</u> | <u>Proposed</u> | 50 Assumes Load Factor = | 55.0% |
| Customer Charge | | \$15.50 | \$16.00 | | |
| Demand Charge, per kW | | \$3.40 | \$4.66 | | |
| Energy Charge (kWhs) | | \$0.014800 | \$0.017100 | | |
| Base Power Supply Charge, all kWhs | | \$0.055491 | \$0.053227 | | |
| PPFAC | | \$0.014746 | \$0.000000 | | |
| | | <u>Total Bill</u> | <u>Total Bill</u> | <u>Proposed</u> | <u>Proposed</u> |
| <u>Average Sales per Month</u> | <u>Present Rate</u> | <u>Proposed Rate</u> | <u>Increase</u> | <u>Increase</u> | |
| | | | <u>\$</u> | <u>%</u> | |
| 10,001 | \$950.65 | \$835.51 | (\$115.14) | -12.11% | |
| 15,000 | \$1,418.08 | \$1,245.14 | (\$172.94) | -12.20% | |
| 20,000 | \$1,885.60 | \$1,654.85 | (\$230.75) | -12.24% | |
| 30,000 | \$2,820.66 | \$2,474.28 | (\$346.38) | -12.28% | |
| 50,000 | \$4,690.76 | \$4,113.13 | (\$577.63) | -12.31% | |
| 75,000 | \$7,028.39 | \$6,161.70 | (\$866.70) | -12.33% | |
| 100,000 | \$9,366.02 | \$8,210.26 | (\$1,155.76) | -12.34% | |
| 125,000 | \$11,703.66 | \$10,258.83 | (\$1,444.83) | -12.35% | |
| 150,000 | \$14,041.29 | \$12,307.39 | (\$1,733.89) | -12.35% | |

UNS Electric, Inc.
Typical Bill Comparison
Present (Prior to June 1, 2009 PPFAC Rate Change) and Proposed Rates
Test Year Ended December 31, 2008

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| | Present | Proposed | Proposed Increase \$ | Proposed Increase % |
|---|----------------------------|------------|----------------------------|---------------------------|
| Lighting Dusk to Dawn Delivery Charges | <u>Overhead Service</u> | | | |
| New 30' Wood Pole (Class 6) | \$4.12 | \$4.54 | \$0.41 | 10.00% |
| New 30' Metal or Fiberglass | \$8.26 | \$9.08 | \$0.83 | 10.00% |
| | <u>Underground Service</u> | | | |
| Existing Wood Pole | \$2.06 | \$2.27 | \$0.21 | 10.00% |
| New 30' Wood Pole (Class 6) | \$6.20 | \$6.81 | \$0.62 | 10.00% |
| New 30' Metal or Fiberglass | \$10.32 | \$11.35 | \$1.03 | 10.00% |
| Per Watt | \$0.046577 | \$0.050422 | \$0.0038 | 8.26% |
| Lighting Base Power Supply Charge, per Watt | \$0.007818 | \$0.00750 | | |
| PPFAC | \$0.014746 | \$0.000000 | | |
| 100 Watts - Overhead | | | | |
| Existing Wood Pole | \$4.67 | \$5.79 | \$1.13 | 24.15% |
| New 30' Wood Pole (Class 6) | \$8.79 | \$10.33 | \$1.54 | 17.51% |
| New 30' Metal or Fiberglass | \$12.92 | \$14.87 | \$1.95 | 15.11% |
| 100 Watts - Underground | | | | |
| Existing Wood Pole | \$6.73 | \$8.06 | \$1.33 | 19.81% |
| New 30' Wood Pole (Class 6) | \$10.86 | \$12.61 | \$1.75 | 16.08% |
| New 30' Metal or Fiberglass | \$14.98 | \$17.14 | \$2.16 | 14.41% |
| 200 Watts - Overhead | | | | |
| Existing Wood Pole | \$9.32 | \$11.58 | \$2.27 | 24.36% |
| New 30' Wood Pole (Class 6) | \$13.44 | \$16.12 | \$2.68 | 19.95% |
| New 30' Metal or Fiberglass | \$17.57 | \$20.67 | \$3.09 | 17.61% |
| 200 Watts - Underground | | | | |
| Existing Wood Pole | \$12.94 | \$13.85 | \$0.91 | 7.04% |
| New 30' Wood Pole (Class 6) | \$17.07 | \$18.40 | \$1.32 | 7.76% |
| New 30' Metal or Fiberglass | \$19.63 | \$22.93 | \$3.30 | 16.81% |
| 400 Watts - Overhead | | | | |
| Existing Wood Pole | \$21.76 | \$23.17 | \$1.41 | 6.48% |
| New 30' Wood Pole (Class 6) | \$25.88 | \$27.70 | \$1.82 | 7.04% |
| New 30' Metal or Fiberglass | \$30.02 | \$32.25 | \$2.24 | 7.45% |
| 400 Watts - Underground | | | | |
| Existing Wood Pole | \$23.82 | \$25.44 | \$1.62 | 6.79% |
| New 30' Wood Pole (Class 6) | \$27.95 | \$29.98 | \$2.03 | 7.26% |
| New 30' Metal or Fiberglass | \$32.08 | \$34.52 | \$2.44 | 7.61% |